

110TH CONGRESS  
1ST SESSION

# S. 248

To amend the Internal Revenue Code of 1986 to permanently extend and modify the work opportunity credit, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

JANUARY 10, 2007

Mr. BAUCUS (for himself and Ms. SNOWE) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to permanently extend and modify the work opportunity credit, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Encouraging Work Act  
5       of 2007”.

6       **SEC. 2. PERMANENT EXTENSION AND MODIFICATION OF**  
7       **WORK OPPORTUNITY CREDIT.**

8       (a) CREDIT MADE PERMANENT.—Subsection (c) of  
9       section 51 of the Internal Revenue Code of 1986 is amend-  
10      ed by striking paragraph (4) (relating to termination).

1 (b) INCREASE IN MAXIMUM AGE FOR DESIGNATED  
2 COMMUNITY RESIDENTS.—

3 (1) IN GENERAL.—Paragraph (5) of section  
4 51(d) of the Internal Revenue Code of 1986 is  
5 amended to read as follows:

6 “(5) DESIGNATED COMMUNITY RESIDENTS.—

7 “(A) IN GENERAL.—The term ‘designated  
8 community resident’ means any individual who  
9 is certified by the designated local agency—

10 “(i) as having attained age 18 but not  
11 age 40 on the hiring date, and

12 “(ii) as having his principal place of  
13 abode within an empowerment zone, enter-  
14 prise community, or renewal community.

15 “(B) INDIVIDUAL MUST CONTINUE TO RE-  
16 SIDE IN ZONE OR COMMUNITY.—In the case of  
17 a designated community resident, the term  
18 ‘qualified wages’ shall not include wages paid or  
19 incurred for services performed while the indi-  
20 vidual’s principal place of abode is outside an  
21 empowerment zone, enterprise community, or  
22 renewal community.”.

23 (2) CONFORMING AMENDMENT.—Subparagraph  
24 (D) of section 51(d)(1) of such Code is amended to  
25 read as follows:

1 “(D) a designated community resident,”.

2 (c) CLARIFICATION OF TREATMENT OF INDIVIDUALS  
 3 UNDER INDIVIDUAL WORK PLANS.—Subparagraph (B)  
 4 of section 51(d)(6) of the Internal Revenue Code of 1986  
 5 (relating to vocational rehabilitation referral) is amended  
 6 by striking “or” at the end of clause (i), by striking the  
 7 period at the end of clause (ii) and inserting “, or”, and  
 8 by adding at the end the following new clause:

9 “(iii) an individual work plan devel-  
 10 oped and implemented by an employment  
 11 network pursuant to subsection (g) of sec-  
 12 tion 1148 of the Social Security Act with  
 13 respect to which the requirements of such  
 14 subsection are met.”.

15 (d) TREATMENT OF DISABLED VETERANS UNDER  
 16 THE WORK OPPORTUNITY TAX CREDIT.—

17 (1) DISABLED VETERANS TREATED AS MEM-  
 18 BERS OF TARGETED GROUP.—

19 (A) IN GENERAL.—Subparagraph (A) of  
 20 section 51(d)(3) of the Internal Revenue Code  
 21 of 1986 (relating to qualified veteran) is  
 22 amended by striking “agency as being a mem-  
 23 ber of a family” and all that follows and insert-  
 24 ing “agency as—

“(i) being a member of a family receiving assistance under a food stamp program under the Food Stamp Act of 1977 for at least a 3-month period ending during the 12-month period ending on the hiring date, or

“(ii) entitled to compensation for a service-connected disability incurred after September 10, 2001.”.

(B) DEFINITIONS.—Paragraph (3) of section 51(d) of such Code is amended by adding at the end the following new subparagraph:

“(C) OTHER DEFINITIONS.—For purposes of subparagraph (A), the terms ‘compensation’ and ‘service-connected’ have the meanings given such terms under section 101 of title 38, United States Code.”.

(2) INCREASE IN AMOUNT OF WAGES TAKEN INTO ACCOUNT FOR DISABLED VETERANS.—Paragraph (3) of section 51(b) of such Code is amended—

(A) by inserting “(\$12,000 per year in the case of any individual who is a qualified veteran by reason of subsection (d)(3)(A)(ii))” before the period at the end, and

1 (B) by striking “ONLY FIRST \$6,000 OF”  
2 in the heading and inserting “LIMITATION ON”.  
3 (e) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to individuals who begin work for  
5 the employer after the date of the enactment of this Act,  
6 in taxable years ending after such date.

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